

ND WORKERS' COMPENSATION

State Investment Board Balance Sheet As of 6/30/2006

	As of <u>6-30-06</u>	As of <u>6-30-05</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 158,760,077	\$ 169,108,364
INTERNATIONAL EQUITIES	91,884,174	100,355,614
DOMESTIC FIXED INCOME	858,532,445	879,079,706
REAL ESTATE	74,348,779	0
INVESTED CASH (NOTE 1)	<u>8,852,300</u>	<u>11,520,586</u>
 TOTAL INVESTMENTS	 1,192,377,775	 1,160,064,270
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	8,924,644	8,763,879
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	326,131,613	325,421,591
DUE FROM OTHER AGENCIES (NOTE 3)	<u>21,539</u>	<u>12,926</u>
 TOTAL ASSETS	 <u>\$ 1,527,455,571</u>	 <u>\$ 1,494,262,666</u>
LIABILITIES:		
ACCOUNTS PAYABLE	539,102	643,579
SECURITIES LENDING COLLATERAL (NOTE 2)	326,131,613	325,421,591
DUE TO OTHER AGENCIES (NOTE 4)	<u>0</u>	<u>0</u>
 TOTAL LIABILITIES	 326,670,715	 326,065,170
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,168,197,496	1,078,349,677
CASH IN DURING YEAR (NOTE 5)	11,500,000	21,000,000
CASH OUT DURING YEAR (NOTE 6)	18,500,000	11,000,000
NET INCREASE (DECREASE)	<u>39,587,360</u>	<u>79,847,819</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,200,784,856</u>	 <u>1,168,197,496</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 1,527,455,571</u>	 <u>\$ 1,494,262,666</u>

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State Investment Board Profit and Loss Statement Profit and Loss Statement

	Month Ended <u>6-30-06</u>	<u>Year-to-Date</u>
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 6,143,653	\$ 41,221,992
SECURITIES LENDING INCOME	1,308,460	12,007,319
	<u>7,452,113</u>	<u>53,229,311</u>
 GAIN ON SALE OF INVESTMENTS	 7,299,292	 91,379,622
LOSS ON SALE OF INVESTMENTS	<u>7,337,283</u>	<u>65,327,246</u>
 NET GAINS (LOSSES) INVESTMENTS	 (37,991)	 26,052,376
 INVESTMENT EXPENSES	 213,238	 2,724,932
SECURITIES LENDING EXPENSES	1,261,544	11,556,213
SIB ADMIN EXPENSES	<u>12,446</u>	<u>96,387</u>
 NET INVESTMENT INCOME	 5,926,894	 64,904,155
 NET APPREC (DEPREC) MARKET VALUE	 (2,984,738)	 (25,337,033)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(2,125)</u>	<u>20,238</u>
 TOTAL INVESTMENT INCOME	 <u>2,940,031</u>	 <u>39,587,360</u>
 NET INCREASE (DECREASE)	 <u>\$ 2,940,031</u>	 <u>\$ 39,587,360</u>

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State Investment Board SUPPLEMENTARY INFORMATION As of 6/30/2006

	As of <u>6/30/06</u>
ASSETS:	
INVESTMENTS (AT COST)	
DOMESTIC EQUITIES	140,581,104
INTERNATIONAL EQUITY	71,966,262
FIXED INCOME	868,217,859
REAL ESTATE	69,980,309
INVESTED CASH	<u>8,852,300</u>
TOTAL INVESTMENTS (AT COST)	<u><u>\$1,159,597,834</u></u>

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Notes To Financial Statements
June 30, 2006

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **DUE FROM OTHER AGENCIES**

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 **DUE TO OTHER AGENCIES**

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 6 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.